pleased to state;

(a) whether Government have accepted the proposal to establish a New Supervisory Authority to oversee the working of the Financial Institutions/Banking System; if so, what are the details thereof;

(b) whether the supervisory authority will be under the supervision of Reserve Bank of India or will be an indepent authority; and

(c) whether the functioning of the authority will be overlapping the already established system or be clearly demarcated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) It has been decided to set up a Supervisory Body under the aegis of Reserve Bank of India. The structure and functions of this body are under formulation.

**Rationale behind specific dirty on Cigarettes**

2574. SHRI MOHD. KHALEELUR RAHMAN:
SHRI G. G. SWELL:
SHRI P. UPENDRA;
SHRIMATI MIR A DAS:
SHRI CHIMANBHAI MEHTA;

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 895 given in the Rajya Sabha on the 3rd August, 1993 and state;

(a) what are the reasons that the excise duty on luxury item like cigarettes is specified-based when other essential commodities and *ad valorem* based;

(b) what is the rationale behind the imposition of specific duty on above luxury item which is against the principle of elasticity of increasing revenue with increasing prices of commodities-

(c) whether H is a fact that the excise duty on cigarettes is not a very decisive and biggest component in determining the price structure of the commodity;

(d) if so, applicability of specific duty rate on size, whether on high priced or low priced cigarettes work in favour of high priced cigarettes manufacturing industry;

(e) whether it is a fact that cigarettes in the top range prices are levied with specific duty that works out below 45 per cent of their value and medium and low ranged priced cigarettes taxed on specific basis works cut between 66 to 74 per cent of their value;

(f) whether it is a fact that *ad-valorem* duty at 1988-87- level if applied to today's world give Rs. 500 c ores more to excise revenue; and

(g) whether Government have taken inflexible stand on mode of specific taxation on cigarettes when on factual basis it is found that accrual of revenue is much lower compared to *ad valorem?*

THE MINISTER OF STATE IN THE' MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Apart from cigarettes, specific rates of excise duiy are leviable on a number of other commodities like cement, tyres, sugar, aerated water, man-made fibre and yarn, petroleum products, refrigerators etc. mainly on administrative considerations,

(c) to (e) The excise duty on cigarettes is only one of the components of the price of the cigarettes. In the case of commodities subject to specific duty, the *advalorem* incidence will vary with[1] their value and cigarettes are no exception to this. Excise duty on cigarettes is specific based on the length of the cigarettes

and is not related to their value.

(f) and (g) As *advalorem.* duties on cigarettes were statutorily changed to specific duties, it would not *be* correct to say that the Government would have gained more revenue if the *advalorern* duty had continued. The present duty structure and rates have been prescribed after taking into considration all relevant aspects.

**LIC's Housing loan fo Maharashtra**

2575. SHRI ADIK GOVINDRAO WAMANRAO: Will the Minister of FINANCE be pleased to state;

(a) the amount of total Housing Loan given by the Life Insurance Corporation in Maharashtra during the last three years;

(b) how does it compare with other states;

(c) what are the reasons for giving less amount to Maharashtra; and

(d) what was the total demand from Maharashtra State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a)$_7$ (b) and (d) The Planning Commission allocates funds of LIC. which are provided as negotiated loans under 'Plan Head' to Maharashtra to support their socially ori-tnted rural and urban schemes in me housing sector. In addition LIC also lends funds to State Level Apex-Cooperative Housing Finance Soeieiies and to :he LIC policy holders.

A Statement containing the details of funds allocated and utilised by the State Government is a Statement-I *(See* below). IT will be observed therefrom that the amount utilised by the State Government is much less than the sanctioned amount for the last three years. Inspite of this, the allocation of LIC loan for the current year, i.e. 1993-94 in case of Maharashtra has been augmented by the Planning Commission to Rs. 12.94 Crores.

The amount of Rs. 30 Crores released in 1990-91 and Rs. 25 Crores each released in 1991-92 and 1992-93 to the Maharashtra State Co-operative Housing Finance Corporation Ltd. is the highest compared to the releases made to similar Organisations in other States. The details of housing loans sanctioned and disbursed to the LIC policy holders in Maharashtra by the LIC and its subsidiary LIC Housing Finance Ltd. are at Statement-H. More than 20 per cent of individual housing loans disbursed by the LIC Housing Finance Ltd. in the whole country has been disbursed in Maharashtra.

(c) Does not arise.

**Statement-I**

*The loans granted by LIC to the Govt, of Maharashtra for financing social housing schemes and Maharashtra State Co-op. Housing Finance Corporation Lid. during the last* 3 *years.*

| | (Rs. in crores) | | |
|---|---|---|---|
| | 1990-91 | 1991-92 | 1992-93 |
| 1. *State Govt. for Social Housing Schemes.* | | | |
| (a) Allocation by Planning Commission . . . | 3.71 | 4.35 | 4.66 |
| (b) Amount utilised by the State Govt. . . . | 1.32 | 0.32 | 0.93 |
| 2. Mahnrashtra State Co-op. Housing Finance Corpn. Ltd. | 30.00 | 25.00 | 25.00 |